

## COMMUNICATION WITH MARKET SEGMENTS – TRAVEL AGENCIES' PERSPECTIVE

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### **Abstract**

**Purpose** – The purpose of this paper is to research the travel agencies' communication with market segments. Communication with market segments takes into account marketing communication means as well as the implementation of different business orientations.

**Design** – Special emphasis is placed on the use of different marketing communication means and their efficiency. Research also explores business orientation adaptation when approaching different market segments.

**Methodology** – In exploring marketing communication means, insights from Van der Merve (2003) were used. A selling orientation-customer orientation (SOCO) scale (Periatt, LeMay and Chakrabarty 2004) was implemented for exploring travel agencies' business orientation. In exploring travellers' motivations, insights from Ružić, Turkalj and Račić (2003), and Tomas Summer (2010) were used.

**Findings** – Research results indicate that additional efforts should be made in restructuring travel agencies' promotional budgets. Marketing communication means are not used according to the efficiency of their allocation. Therefore, the efficiency of marketing communication means used for reaching target markets should be taken into account. Additionally, travel agencies adapt their business orientation according to the importance of market segments. But future development and interaction with market segments should also be taken into account when adapting business orientation.

**Originality of this research** – The originality is evident in the insights it provides about travel agencies' communication efforts on target markets. It is original because it applies a selling orientation-customer orientation to a travel agency setting, and its research results indicate that business orientation implementation depends on the target market.

**Keywords** target market segments, marketing communication means, travel agencies' business orientation, Croatian travel agencies

### **1. INTRODUCTION**

The specific features of tourism as a phenomenon determine the role and importance of travel agencies on the tourism market. Because of the physical distances between outbound tourist areas and host areas, as well as the fact that in tourism consumers travel to the place where the product will be consumed, intermediary services in tourism have a special role. Furthermore, they are steadily becoming more important than intermediary services in other sectors or in the distribution of goods. Hence, travel agencies have a much greater power to affect demand than any other intermediaries (Buhalis 2004, 8). There is no doubt that travel agencies influence the tastes,

motivations, wants, as well as the needs of tourism clientele (Vukonić 2003, 51), primarily through marketing communication with target markets.

Unlike the consumers of various products, potential tourists can neither try out nor test a tourism product before it is purchased (Lubbe 2000, 6). Travel agencies therefore through marketing communication materialize the intangible tourism product not only during its consumption but also prior to and after a trip, thus creating added value for consumers. Their role is based, among other factors, on their successful communication with consumers. Therefore, marketing communication means and their efficiency have a very important role for travel agencies. Furthermore, approaching customers, that is target market segments is possible either through selling or customer orientation (Saxe and Weitz, 1982). Following from this the purpose of this paper is to research the travel agencies' communication with market segments. Communication is approached through different marketing communication means as well as through implementation of different business orientations.

The paper is organized in the following sections. Firstly, a theoretical background and hypothesis development are offered and research methodology explained. Based on this, analysis was conducted and hypotheses tested. Finally, a conclusion and implications are presented as well as limitations and possibilities for further research pointed out.

## **2. THEORETICAL BACKGROUND**

While travel agencies may not be the only intermediaries in tourism, they are certainly the most important. Unlike all other intermediaries that are not engaged in encouraging and facilitating tourism travel for the purpose of gaining profit, travel agencies are economic entities whose primary and profitable line of business is organizing tourist travel and providing intermediary services in selling services relating to tourist travels and stays. All travel agencies do not operate on the tourism market in the same way, nor do they accomplish the same functions. Namely, contemporary retail travel agencies have a pronounced intermediary and advisory function, while tour operators have a promotional and organizational function.

Although travel agencies are mainly engaged in intermediary activities carried out in the name of and in behalf of others, they communicate directly with known customers and can have a powerful influence on their final decision in choosing a tourist destination and service provider. On the other hand, tour operators are engaged in organizing wholesale package deals in their own name and for their own account. Because of their pronounced promotional function focused on unknown customers, tour operators can help to create trends and generate demand for new tourist destinations and service providers.

Because of the psychographic characteristics of consumers, a considerable part of potential demand would never become real demand were it not for the additional incentive and security provided by travel agencies and tour operators. Despite dramatic changes in the availability of information, the efficiency of communication and the

wide-spread trend of personalized travel, travel agencies have succeeded in maintaining their role by using new technologies and changing their approach to consumers (Čavlek 2011, 224, 225). Number of communication means is growing and new challenges are emerging for travel agencies. Consequently, all communication means cannot have the same efficiency. It is expected that the efficiency of marketing communication means will be the key factor in their selection. Therefore we posit that:

*H1: Marketing communication means are used according to their efficiency.*

In cases where travelling is risky and complex to organize, or when a tourist destination is difficult to reach and less known to tourism demand, the importance of travel agencies and tour operators is all the greater, and the share of organized travel is much greater compared with independent travel (Čorak, Mikačić and Trezner 2009, 83). Travel agencies and tour operators gain additional importance through their power in the distribution chain of tourism in which supply is greater than demand (Ujma 2004, 47), which is regularly the case in the pre-season and the post-season period. Hence, travel agencies and tour operators are an indispensable distribution channel for tourists coming from far away, for tourists who are not very familiar with a destination, as well as for those in the pre- and post-seasons. This indicates the importance of travel agencies and their influence on the decision process through the use of different means in marketing communication with target markets.

In the process of market communication, travel agencies can resolve the problem of imperfection in connecting supply and demand (Buhalis and Ujma 2006, 171), caused by their spatial separation and the conflicting attributes of tourism demand, which is elastic and dynamic, and tourism supply, which is inelastic and static (Čavlek 2011, 213). While maintaining their position in the distribution system of tourism, the role and business practices of travel agencies are rapidly changing and adapting to the requirements of consumers, to changes in information and communication technologies, as well as to other trends created not only by the competition, but by travel agencies themselves (Čavlek 2011, 225). In following those trends, travel agencies should apply a wide range of marketing communication means to reach their target market segment. Therefore we posit that:

*H2: Marketing communication is modified when different market segments are approached.*

Travel agencies no longer seek to build their position as an intermediary based on the unavailability of information and on poor communication, but rather on their ability to reduce the risk of disappointment and save time in preparing trips, as well as on trust, all of which clearly increases their influence on the decision process of consumers. Studies carried out in the U.S.A. confirm that this influence is truly growing, as judged by the clients of travel agencies. In 2007, 44 per cent of respondents claimed that the personnel of a travel agency influenced their decision in choosing an airline company, while in 2009 fully 63 per cent of respondents made the same claim (Weissman 2010).

Marketing communication is the major tool used by travel agencies to influence the decisions of consumers. Namely, the flow of information is becoming one of the most important flows in the intermediation process because information presents a tourism product and helps consumers to make the decision to buy (Buhalis and Ujma 2006,

180). That is why information flow management is rightly deemed as being the crucial factor of the competitiveness of travel agencies in the future. In this respect, the issue of the selection and efficiency of marketing communication means focused on specific market segments is seen as one of the most important issues in the operations of travel agencies.

Contemporary travel agencies seem to base their operations on a model that focuses on consumers. Unlike tour operators that focus on unknown buyers, retail travel agencies always know who their client is. Regardless of whether they are oriented towards leisure tourism or business tourism, and whether they are engaged in providing intermediary services or organizing package deals, travel agencies always work in the name of and in behalf of their client. Hence they base their operations on their experienced salespersons and centre on complex orders and/or less experienced users. Otherwise, they risk that their clients could be more knowledgeable of the product's attributes and fail to see the role of an intermediary as a benefit, but rather as a hindrance (Buhalis and Ujma 2006, 175). It is expected that travel agencies will adapt the level of customer and selling orientation according to perceived importance of its target market segments. Therefore, we posit that:

*H3: Customer and selling orientation are used according to the importance of target market segments.*

### **3. RESEARCH METHODOLOGY**

The operationalization of variables is grounded in previous research. Insights from the well-known Saxe and Weitz (1982) selling orientation - customer orientation scale were applied to researching customer orientation. The short version of the SOCO scale (Periatt, LeMay and Chakrabarty 2004, 53) was used. It was decided to use this shortened version of the SOCO scale because its reliability had been proven in other researches (Thomas, Soutar and Ryan 2001).

In exploring marketing communication means, insights from Van der Merve (2003, Appendix B) were used. Considering that several marketing communication means are not present or used in Croatia, it was decided to cover the 25 marketing communication means that are mostly used. Focusing on their frequency of use and assumed efficiency in reaching target market, these means were grouped into the following marketing communication categories: advertising, sales promotion, public relations, direct marketing and interactive media.

Because business and leisure travellers' motivations differ when considering travel destinations, the insights provided by several authors were used. Hence, insights from Ružić, Turkalj and Račić (2003, 5, 10) were used for business travellers, and insights from the TOMAS Summer Survey (2010, 65) for leisure travellers.

Research was conducted using the survey method. A questionnaire, created as an online questionnaire using SurveyMonkey, was used as the instrument for collecting data.

The research instrument consisted of four parts. The first part consisted of 9-point Likert scales questions related to the SOCO scale. The second part was related to studying target markets and identifying the field of interest for leisure and business travellers. In this part a 5-point Likert scale was used. Part Three of the questionnaire explored frequency of use (daily, weekly, monthly, once a year, and never/don't have) and the efficiency of different marketing communication means. A 5-point Likert scale was used to explore the efficiency of marketing communication means. Part Four consisted of the general features of travel agency operations as well as information about the importance of different tourist markets for the travel agencies' business. These markets were classified as domestic or foreign destinations for leisure or business travel. Viewed from the aspect of the structure of questions used in the questionnaire, the survey used both of the basic types of questions: open-ended and structured (Marušić, Prebežac 2004, 119).

The survey was conducted in the period July to September 2012. The research consisted of 249 travel agencies that are members of UHPA (Association of Croatian Travel Agencies). An e-mail was sent with an invitation to participate in the research with a link to the survey. After the initial collection of data, travel agencies were twice reminded to fill out the questionnaire.

#### **4. DATA ANALYSIS**

##### **4.1. Sample**

Sixty-six answered questionnaires were collected. A preliminary analysis revealed that in 33 of the answered questionnaires most of the questions had been left unanswered. So, the answers of those respondents were eliminated, and further analysis was conducted on the rest of the collected questionnaires. Although the research sample consisted of 33 questionnaires, it is important to emphasize that the travel agencies that participated in the research employ 446 employees, representing 23 per cent of all staff members in UHPA. Furthermore, travel agencies that answered the questionnaire have a relevant market share. Hence, the results can be considered as a good starting point in evaluating the approach of travel agencies to marketing communication and business orientation.

Methods applied in testing the proposed hypothesis belong to both the univariate, bivariate and multivariate statistical methods. In analysing results, SPSS ver. 20 was used.

Sample characteristics are presented in Table 1.

Table 1: Sample characteristics (in %)

Characteristics	Value	
<b>Branches</b>	Domestic	71.9%
	Foreign	3.1%
	Domestic and foreign	25%
<b>Income from services selling</b>	Personal use	52.78%
	Business subjects	50.40%
<b>Income from initiative and receptive activities</b>	Outbound activities	34.03%
	Inbound activities	65.17%
<b>Income from different activities</b>	Organization of tour packages	31.45%
	Organization of excursions	19.93%
	Organization of congresses	10.58%
	Organization of transfers	12.88%
	Intermediation in selling tour packages	12.22%
	Intermediation in selling hospitality services	7.93%
	Sales and bookings of accommodation and other hospitality services	23.48%
	Intermediation in selling transport services	7.24%
	Sales of travel tickets and reservation of places for all vehicles	13.04%
	Other (visas, exchange, car rental etc.)	5.32%

Source: Survey results

#### 4.2. Research results

Similar to other operators on the tourist market, travel agencies also have at their disposal a very large variety of ways to communicate with potential customers on the tourist market. Travel agencies also in their communication with target market use different means of communication. What is vital is that the frequency with which travel agencies use individual forms and means of marketing communication is consistent with their efficiency. This gave rise to the need for testing the following hypothesis (H1): *Marketing communication means are used according to their efficiency.*

In researching this hypothesis different marketing communication means were used. Respondents were asked to rate marketing communication means according to their efficiency, that is, how they perceive the ability of these means to generate maximum sales at the lowest cost in their travel agency. Each marketing communication mean was assigned a rank, indicating the position of its efficiency according to the overall list. Results are presented in Table 2.

Table 2: Efficiency of all marketing communication means

	N	Mean	SD	Rank
<b>ADVERTISING</b>	<b>7</b>	<b>3.107</b>	<b>1.044</b>	<b>3</b>
Radio advertising	16	3.313	0.947	8
Television advertising	16	3.313	1.493	8
Outdoor (billboards/posters)	15	3.733	1.100	4
Magazines (paid articles and advertising)	17	3.118	0.697	12
Promotional videos/CD (for a certain tour package)	14	3.000	1.038	14
Newspaper articles and advertising	17	2.882	0.993	17
Brochures (distributed to partners)	18	2.389	1.037	21
<b>SALES PROMOTION</b>	<b>6</b>	<b>3.749</b>	<b>1.131</b>	<b>1</b>
Samples (give - away samples to encourage sales e.g. free meal at the restaurant)	14	3.929	1.141	2
Coupons (vouchers to buy specific offerings)	16	3.625	1.148	5
Point-of-sale materials (counters displays, stickers, etc.)	13	3.539	0.776	6
Promotional gifts (offer free or at low cost to encourage sales)	14	3.357	0.929	7
Trade shows	16	2.563	0.814	19
Discounts on bookings	18	2.333	0.970	23
<b>PUBLIC RELATIONS</b>	<b>2</b>	<b>3.146</b>	<b>1.006</b>	<b>2</b>
Publicity (hold press conferences)	14	3.214	1.251	11
Press releases (send them to newspapers to inform them of new product offerings or specials)	13	3.077	0.760	13
<b>DIRECT MARKETING</b>	<b>5</b>	<b>2.814</b>	<b>0.909</b>	<b>4</b>
SMS (use SMS to inform clients on special offer)	11	4.273	0.786	1
Database to facilitate direct marketing	15	3.000	1.069	14
Flyers	18	2.944	0.998	16
Direct selling (to hotel/potential clients)	17	2.353	0.932	22
Word of mouth (generated from clients)	20	1.500	0.761	25
<b>INTERACTIVE MEDIA</b>	<b>5</b>	<b>2.726</b>	<b>0.933</b>	<b>5</b>
Digital television marketing (use for e-shopping)	11	3.818	0.874	3
Virtual tour (on a website)	12	3.250	1.288	10
E-mail newsletter (regular newsletter informing clients of specials/events)	20	2.600	1.096	18
E-commerce (book tour on Internet)	16	2.438	0.727	20
Website	21	1.524	0.680	24

Source: Survey results

Further analysis was conducted. All marketing communication means that respondents never use or do not have in their communication with target markets were excluded from the analysis. As in the previous table, Table 2, to each marketing communication mean was assigned a rank. Also, ranks from the previous table were included and presented under the heading *Rank (all)*. Analysis is presented in Table 3.

Table 3: Efficiency of used marketing communication means

	N	Mean	SD	Rank (used)	Rank (all)
<b>ADVERTISING</b>	<b>7</b>	<b>2.652</b>	<b>0.727</b>	<b>3</b>	<b>3</b>
Radio advertising	11	2.900	0.568	9	8
Television advertising	6	2.000	0.633	23	8
Outdoor (billboards/posters)	9	3.222	0.972	2	4
Magazines (paid articles and advertising)	15	3.000	0.535	5	12
Promotional videos/CD (for a certain tour package)	11	2.636	0.674	13	14
Newspaper articles and advertising	12	2.417	0.669	15	17
Brochures (distributed to partners)	18	2.389	1.037	16	21
<b>SALES PROMOTION</b>	<b>6</b>	<b>3.267</b>	<b>0.799</b>	<b>1</b>	<b>1</b>
Samples (give - away samples to encourage sales e.g. free meal at the restaurant)	7	3.000	0.817	5	2
Coupons (vouchers to buy specific offerings)	11	3.000	0.775	5	5
Point-of-sale materials (counters displays, stickers, etc.)	9	3.222	0.667	2	6
Promotional gifts (offer free or at low cost to encourage sales)	12	3.167	0.835	4	7
Trade shows	14	2.357	0.497	17	19
Discounts on bookings	17	2.177	0.728	21	23
<b>PUBLIC RELATIONS</b>	<b>2</b>	<b>2.678</b>	<b>0.475</b>	<b>2</b>	<b>2</b>
Publicity (hold press conferences)	9	2.556	0.527	14	11
Press releases (send them to newspapers to inform them of new product offerings or specials)	10	2.800	0.422	10	13
<b>DIRECT MARKETING</b>	<b>5</b>	<b>2.515</b>	<b>0.738</b>	<b>4</b>	<b>4</b>
SMS (use SMS to inform clients on special offer)	4	3.500	0.577	1	1
Database to facilitate direct marketing	13	2.692	0.751	12	14
Flyers	16	2.750	0.856	11	16
Direct selling (to hotel/potential clients)	15	2.133	0.743	22	22
Word of mouth (generated from clients)	20	1.500	0.761	25	25
<b>INTERACTIVE MEDIA</b>	<b>5</b>	<b>2.292</b>	<b>0.580</b>	<b>5</b>	<b>5</b>
Digital television marketing (use for e-shopping)	4	3.000	0.000	5	3
Virtual tour (on a website)	6	2.333	0.817	18	10
E-mail newsletter (regular newsletter informing clients of specials/events)	17	2.294	0.772	20	18
E-commerce (book tour on Internet)	13	2.308	0.630	19	20
Website	21	1.524	0.680	24	24

Source: Survey results

An analysis of variances (ANOVA) was also conducted on part of the sample that uses different marketing communication means. The Levene test of homogeneity of variances was performed. Where it was significant, Welch's test was done. However, due to a small number of respondents in some categories, analysis could not be performed for all categories. Most of the cases indicated no significant differences between the different categories of marketing communication means examined. Hence, results are shown only for those marketing communication means for which F-value was statistically significant.

So, the ANOVA analysis shows that travel agencies differ in the frequency of using a database to facilitate direct marketing, as well as in the efficiency of the means used ( $F(2,10)=5.794$ ,  $p<0.05$ ). The post-hoc Bonferroni test shows that differences are present between the travel agencies that indicated that using a database to facilitate direct marketing is inefficient, and those that indicated that its usage is very efficient. Also, travel agencies differ in the frequency and efficiency of the use of word of mouth ( $F(2,17)=6.307$ ,  $p<0.01$ ). The Bonferroni post-hoc test was also performed. It reveals that differences are present between travel agencies that consider word of mouth as being efficient and those that consider word of mouth as being the most efficient and very efficient.

Further on, when examining the rank of marketing communication means used, it can be concluded that even though some marketing communication means are held to be very efficient, such as SMS text messaging, digital television marketing or even give-away samples, they are not being used by many travel agencies. Differences are also present if we analyse the number of travel agencies that are using a certain marketing communication mean. The marketing communication means mostly used, such as Web sites, word of mouth and brochures, are not held to be very efficient. Moreover, when comparing the efficiency of marketing communication means used and their assumed efficiency, some differences are also present.

Taking into account all that has been stated, it can be noticed that marketing communication means that are believed to have the highest efficiency, that is, the greatest ability to generate maximum sales at minimum cost, are largely not used by many travel agencies. Hence, some additional efforts should be included in restructuring promotional budgets based on efficiency evaluations for the marketing communication means used.

Finally, based on the results of this research we can conclude that hypothesis H1 is not confirmed.

Travel agencies in communicating with the target market can use a large number of different means of communication. In achieving the efficiency of communication the key requirement for travel agencies, along with a selection of suitable promotional means, is to understand the target audience. So, the travel agency needs to create a message tailored to its target audience and, at the same time, use suitable media and means for communication (Kotler 2010, 542).

Therefore, travel agencies are faced with the challenge of selecting the best promotional technique and using it in a way to get the customer's attention that results in purchase (Morrison 2002, 365). So, communication with different target market segments should be based on marketing communication means that will positively affect purchasing decisions. This gave rise to the need for testing the following hypothesis (H2): *Marketing communication is modified when different market segments are approached.*

Starting from motivations, we can say that travel agencies are oriented towards two significantly different markets in their business. Business travellers are one market, while the second market consists of leisure travellers (Table 4). In their business, travel agencies consider these segments as having different degrees of importance. The importance of each market segment for travel agencies is based on the profit-generating criterion.

Table 4: **Importance of different market segments for travel agencies**

Target market	Mean	SD
Domestic destination for business travellers	2.936	1.548
Domestic destination for leisure travellers	3.968	1.278
Foreign destination for business travellers	2.484	1.458
Foreign destination for leisure travellers	3.032	1.402

Source: Survey results

It can be noticed that travel agencies consider leisure travellers in both domestic (M=3.968) and foreign (M=3.032) destinations as being more important than business travellers in those destinations (domestic, M=2.936, foreign, M=3.968).

These market segments have different travel motivations. In order to explore these two segments, travel agencies were asked to evaluate the fields of interests for both their business travellers and leisure travellers. Results are presented in Table 5.

Table 5: **Business and leisure travellers' fields of interest**

Items	Mean	SD
<b>Business travellers</b>		
Visits	3.733	1.437
Incentives	3.032	1.643
Meetings	2.839	1.440
Congresses	2.645	1.561
Fairs	2.633	1.377
Exhibitions	2.516	1.363
<b>Leisure travellers</b>		
Good prices	3.967	0.999
Preserved nature and natural resources	3.936	1.210
Culture and heritage (cultural attraction and events)	3.742	1.237
Rest and relaxation	3.700	1.119
New experiences and adventures	3.533	1.137
Gastronomy	3.452	1.207
Health (wellness)	3.000	1.126
Entertainment	2.968	1.224
Sport and recreation	2.871	1.176
Other events	2.742	1.264
Nautical offer	2.420	1.385
Visiting friends and relatives	2.033	0.928

Note: Number of respondents is in the range of 30 to 31.

Source: Survey results

According to research results, the major motivations for business travellers are visits (M=3.733), incentives (M=3.032) and meetings (M=2.839). When leisure travellers are examined, their major motivations for visiting a destination are good prices (M=3.967), preserved nature and natural resources (M=3.936), and culture and heritage (cultural attractions and events) (M=3.742).

As we said before, travel agencies need to focus and adapt their marketing communication means to specific target segments. That is why it is necessary to explore fields of interests of business and leisure segments. Travel agencies use these means with different frequencies (Table 6).

Table 6: Marketing communication means in different market segments (frequency of use)

ADVERTISING	Market segments	
	Business	Leisure
Radio advertising	yearly	yearly
Television advertising	weekly	weekly
Outdoor (billboards/posters)	never	never
Magazines (paid articles and advertising)	monthly/yearly	yearly
Promotional videos/CD (for a certain tour package)	yearly	yearly
Newspaper articles and advertising	weekly/monthly	never
Brochures (distributed to partners)	yearly	yearly
SALES PROMOTION		
Samples (give - away samples to encourage sales e.g. free meal at the restaurant)	never	never
Coupons (vouchers to buy specific offerings)	yearly	yearly/never
Point-of-sale materials (counters displays, stickers, etc.)	never	never
Promotional gifts (offer free or at low cost to encourage sales)	yearly	yearly
Trade shows	yearly	yearly
Discounts on bookings	monthly	monthly
PUBLIC RELATIONS		
Publicity (hold press conferences)	yearly/never	Never
Press releases (send them to newspapers to inform them of new product offerings or specials)	monthly/never	never
DIRECT MARKETING		
SMS (use SMS to inform clients on special offer)	never	never
Database to facilitate direct marketing	monthly	monthly
Flyers	yearly	yearly
Direct selling (to hotel/potential clients)	daily/monthly	daily
Word of mouth (generated from clients)	daily	daily
INTERACTIVE MEDIA		
Digital television marketing (use for e-shopping)	never	never
Virtual tour (on a website)	never	never
E-mail newsletter (regular newsletter informing clients of specials/events)	weekly	weekly
E-commerce (book tour on Internet)	daily	daily
Website	daily	daily

Note: Two frequencies of using marketing communication methods in some cells indicate identical percentage in using that specific method in the target segment

Source: Survey results

According to the analysis, marketing communication means that travel agencies use are not different when two market segments are taken into account. The only difference between business and leisure market segments is found in the use of newspapers. But it has to be noted that travel agencies never use those marketing communication means that are assumed to be most efficient in reaching target markets.

Finally, based on the results obtained by this survey, we can conclude that hypothesis H2 is not confirmed.

In researching the business orientation of travel agencies, the SOCO scale (Saxe and Weitz 1982) was used, which measures the selling orientation - customer orientation of the salesperson. The market orientation scale assesses behaviours at the firm level, whereas the SOCO scale examines specific sales behaviours at the salesperson level. The behaviours of the firm explicated in the market orientation scale are indicative of the level of meaningful support provided to salespeople, the capability of salespeople to provide superior value to customers, and a philosophical orientation to help guide salesperson conduct. From the view of the sales force, the components indicated in the market orientation scale represent the instruments with which salespeople are equipped to engage a customer orientation in their selling efforts (Siguaw, Brown and Widing II 1993, 3).

The SOCO scale was used to assess the attitudes of travel agencies through ten statements offered, which describe various ways in which an organization might interact with a customer. The SOCO scale was used to test the formulated hypothesis (H3): *Customer and selling orientation are used according to the importance of target market segments.*

For testing the proposed H3, exploratory factor analysis was used. A principal component analysis (PCA) with orthogonal rotation (varimax) was conducted on ten items from the short SOCO scale. Testing the KMO measure of sampling adequacy and conducting the Bartlett test of sphericity revealed that both preconditions are satisfied (Hair et al., 2005). KMO was above the accepted level of 0.7, with a value of 0.789, and the Bartlett test was significant, with a value of  $\chi^2(45) = 295.52$ ,  $p < 0.001$ . Communalities were all above 0.4 values. According to Kaiser's criterion (Field, 2009), two factors had eigenvalues greater than 1 and, in combination, they explained 73.37% of total variance in the results. These factors are labelled *customer orientation* and *selling orientation*. Factor reliability using Chronbach's alpha was also explored. Their values are 0.980 and 0.747 for customer orientation and selling orientation, respectively. This is in accordance with the criterion of alpha value being greater than 0.7 that Hair et al. (2005) stated. Results of conducted analysis are presented in Table 7.

Table 7: Factor and reliability analysis with construct descriptives for SOCO scale

Items	Customer orientation	Selling orientation
We try to figure out what customer needs are	0.494	
A good employee has to have the customer's best interest in mind	0.956	
We try to bring a customer with a problem together with a product/service that helps solve that problem	0.969	
We offer the product/service that is best suited to the customer's problem	0.971	
We try to find out what kind of products/services will be most helpful to a customer	0.962	
We try to sell as much as we can rather than to satisfy a customer		0.763
It is necessary to stretch the truth in describing a product to a customer		0.615
We try to sell a customer all we can convince them to buy, even if it is more than a wise customer would buy		0.815
We paint too rosy a picture of product/service to make them sound as good as possible		0.636
We decide what product/service to offer on the basis of what we can convince customers to accept, not on the basis of what will satisfy them in the long run		0.774
Eigenvalues	4.704	2.633
% of variance explained	47.038	26.328
M	39.061	15.182
Σ	10.022	8.153
Cronbach's alpha	0.980	0.747

Note: Rotation converged in 3 iterations.

Source: Survey results

Summated scales were conducted for both customer orientation and selling orientation to further explore results. Using paired samples, T-test values were compared. It can be concluded that, on average, travel agencies are more customer-oriented ( $M=7.812$ ,  $SE=0.349$ ) than selling-oriented ( $M=3.036$ ,  $SE=0.284$ ),  $t(32)=10.788$ ,  $p<0.001$ ,  $r=1$ .

Further on, independent samples T-test was also used to compare levels of customer and selling orientation. This analysis was performed between travel agencies that consider different market segments, business and leisure travellers, as being important or not being important to their businesses. It can be concluded that travel agencies that consider leisure travellers as being important in their business show a different level of customer ( $t(28)=38.391$ ,  $p<0.001$ ) and selling ( $t(28)=7.616$ ,  $p<0.001$ ) orientation in comparison with travel agencies that consider leisure travellers as not being important. On the contrary, in the business traveller segment, statistically different levels of customer and selling orientation are not present when the importance of the segment to the travel agency business is taken into account.

Hence, while travel agencies show different levels of customer and selling orientation when approaching leisure travellers, different levels of customer and selling orientation toward business travellers are not taken into account. Based on these results, we can conclude that hypothesis H3 is partially confirmed in the segment related to leisure travellers.

## 5. CONCLUSION

Marketing communication is a major tool which travel agencies can use to influence potential tourists in target markets. The use of marketing communication means, in different marketing communication categories, should be in accordance with their efficiency. Our research identified that travel agencies do not use marketing communication means according to their stated efficiency. Therefore, travel agencies should reconsider which marketing communication methods and means they are using and which they should use in order to more efficiently reach their target market segments.

Marketing communication means that travel agencies use are not different when business and leisure market segments are taken into account. It has to be also noted that travel agencies never use those marketing communication means that are assumed to be most efficient in reaching target markets. Hence, travel agencies do not optimately use them and therefore they are not reaching their target markets efficiently. By taking into account efficiency of marketing communication means, travel agencies can make significant improvements in reaching their market segments and improve their business results.

Furthermore, travel agencies should adapt their business orientation when dealing with different market segments. Applying customer orientation rather than selling orientation can bring more positive results to travel agencies, and this should be applied not only to market segments that are identified as strategic ones, but to other market segments as well. Travel agencies show different levels of customer and selling orientation when approaching leisure travellers, but different levels of customer and selling orientation toward business travellers are not present. Even if leisure travellers are not taken as important in travel agencies business they should not be neglected. Business travellers bring future business possibilities as they are travelling very often not just for business purposes. So, developing relationships with them that is possible through applying customer orientation in business is very rewarding. Therefore, travel agencies should invest additional effort in adapting business orientation and focus on customer instead of selling orientation also with business travellers.

The relatively small sample size may represent a limitation of this research. Also, it is possible that some of the researched marketing communication means are not so commonly used by Croatian travel agencies. And on the other hand, some of them that are used maybe have been omitted from the research.

Further research could possibly be extended to marketing communication means used in travel agencies on the B2B market. Research could also focus on studying images of Mediterranean tourist destinations and their tourism offering, and then comparing them with Croatian destinations from the point of view of travel agencies. An evaluation and comparison of the motivations of business and leisure travellers according to destinations' images could also provide some interesting insights.

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